

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
W. R. GRACE & CO., et al.,¹)
) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) **Objection Deadline:** Nov. 15, 2004,
at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL
ENVIRONMENTAL COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE
MONTHLY INTERIM PERIOD, FROM AUGUST 1, 2004, THROUGH AUGUST 31,
2004, AND FROM SEPTEMBER 1, 2004 THROUGH SEPTEMBER 30, 2004
FOR THE QUARTER OF JULY - SEPTEMBER, 2004**

Name of Applicant: Latham & Watkins LLP ("L&W")

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in Possession

Date of Retention: Retention Order entered June 16, 2004,
effective nunc pro tunc from April 1, 2001.

Periods for which compensation and reimbursement
is sought: August 1, 2004 through August 31, 2004,
September 1, 2004 through September 30,
2004

Amount of Compensation sought as actual,
reasonable and necessary: \$81,729.50

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: \$5,199.44

¹ The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-I Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

This is a(n) X monthly, ___ interim, ___ final application.

The total time expended for the preparation of this application is approximately 1 hour, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$250.00.

This is the second monthly application for interim compensation of services for the July-September 2004 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
On or about August 9, 2004	December 2004 – June 2004	\$211,719.00	\$6927.50	Awaiting approval	Awaiting approval
On or about August 25, 2004	July 1, 2004 – July 31, 2004	\$11,334.50	\$201.32	Awaiting approval	Awaiting approval

The hearing for the Quarterly Application for the interim period January 1, 2004, through March 31, 2004, has not yet been scheduled. The hearing for the Quarterly Application for the interim period April 1, 2004, through June 30, 2004, has, likewise, not been scheduled. Finally, the hearing for the Monthly Application for the interim period July 1, 2004 through September 30, 2004 has also not been scheduled.

The L&W attorneys who rendered professional services in these cases during the August 2004 Fee Period are:

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John McGahren	Partner	14	Environmental	475.00	19.30	\$ 9167.50
Laurie D. Matthews	Contract Associate	9	Environmental	455.00	45.40	20,657.00
Jeffrey LeJava	Associate	6	Environmental	360.00	21.40	7,704.00
Daniel Mulvihill	Associate	3	Environmental	295.00	3.20	944.00
Steven E. Savage	Associate	1	Litigation	235.00	15.10	3,548.50
Total for Attorneys					104.40	\$42,021.00

Compensation by Matter (August 2004)

Matter Number	Matter	Total Hours	Total Fees Requested
029016-0001	Hatco Remediation	76.40	\$33,828.50
029016-0003	Special Counsel Fee Application	28.00	8,192.50
Total for Attorneys		104.40	\$42,021.00

Expense Summary for Hatco Remediation (August 2004)

Description	Amount
Telephone	\$ 45.86
Calling Card	3.96
Standard Copies	7.48
Secretarial Overtime	360.00
Document Preparation	138.00
Electronic Legal Research	3,138.48
Total	\$3,693.78

Expense Summary for Special Environmental Counsel Application (August 2004)

Description	Amount
Telephone	\$ 5.01
Standard Copies	20.91
Electronic Legal Research	321.81
Total	\$347.73

The L&W attorneys who rendered professional services in these cases during the September 2004 Fee Period are:

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
John McGahren	Partner	14	Environmental	475.00	30.90	\$14,677.50
Laurie D. Matthews	Contract Associate	9	Environmental	455.00	49.20	22,386.00
Jeffrey LeJava	Associate	6	Environmental	360.00	.30	108.00
Daniel Mulvihill	Associate	3	Environmental	295.00	8.60	2,537.00
Total for Attorneys					89.00	\$39,708.50

Compensation by Matter (September 2004)

Matter Number	Matter	Total Hours	Total Fees Requested
029016-0001	Hatco Remediation	89.00	\$39,708.50
Total for Attorneys		89.00	\$39,708.50

Expense Summary for Hatco Remediation (September 2004)

Description	Amount
Telephone	\$ 16.28
Federal Express	23.96
Standard Copies	21.42
Telecopying	47.50
Secretarial Overtime	270.00
Ground Transportation	14.35
Postage	2.13
Electronic Legal Research	620.04
Mileage	75.00
Parking – Local	8.00
Total	\$1098.68

Expense Summary for Special Environmental Counsel Application (September 2004)

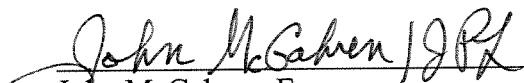
Description	Amount
Standard Copies	\$ 5.95
Federal Express	53.30
Total	\$59.25

WHEREFORE, L&W respectfully requests (a) that an allowance be made to it, as fully described above for (i) the amount of **\$81,729.50** for reasonable and necessary professional services L&W has rendered to the Debtors during the Fee Period and (ii) the reimbursement of actual and necessary costs and expenses incurred by L&W during the Fee Period (**\$5,199.44**); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Wilmington, Delaware
Dated: October 25, 2004

Respectfully submitted,

LATHAM & WATKINS LLP


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